(a) whether it is a fact that Finance Minister projected a satisfactory economic growth while participating in the 6th Insurance Summit held recently in New Delhi; and

(b) what are the reasons for his optimism?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir. The satisfactory performance of economic growth during the current year rests on some positive supply side and demand side developments which among others include: improved performance in agricultural sector reflected in an increase of 2.4 per cent increase in total foodgrain production at 105.6 million tonnes and 7.8 per cent increase in oil seeds output at 12.5 million tonnes during the current Kharif season over the preceding Kharif season. Also a target of 107.87 million tonnes of food grains for the ensuing Rabi Season has been fixed compared with a Rabi output of 92.96 million tonnes last year. On the demand side, enhanced outlays for infrastructure and reduction in interest rates on contractual savings and further reduction in bank rate announced by the Reserve Bank of India augur well for investment. Besides, reduction in tax rates through abolition of surcharge payable by corporates and noncorporates and like increase in rural incomes as a result of better agricultural performance this year are expected to have a favourable impact on domestic demand.

Public investment

1590. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether according to the statement of RBI Governor Public Investment is the key to economic revival and growth in demand;

(b) if so, the details thereof; and

(c) the steps Government have so far taken or propose to take to balance the economy, in view of the fact that there is money in the RBI for capital expenditure, and yet Government fail to spend the amount?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Presumably, the reference of the Honourable Member is to the newspaper reports regarding a talk given by the Governor, Reserve Bank of India on 3rd November, 2001 on the occasion of the 75th Anniversary celebrations of the Indian Chamber of Commerce

and Industry at Kolkata. During his informal talk to the Chamber on this occasion, the Governor had mentioned some factors necessary for industrial revival and, among these factors, he also highlighted the importance of public investments in infrastructure industries.

(c) The Government finances its expenditure including capital expenditure from various sources including market borrowings. While the market borrowing programme of the Government is managed by the Reserve bank of India (RBI), it does not directly provided money for capital expenditure to Government. The Government is conscious of the need for better fiscal management to contain non-plan revenue expenditure and increase revenue receipts. With a view to achieve fiscal consolidation, the Budget for 2001-02 emphasises expenditure management through the process of bringing about structural changes in the composition of Central Government expenditure, economy in non-plan revenue expenditure while improving the quality of expenditure. To this end the Budget contains a number of initiatives which among others include restricting fresh recruitment to one per cent of total civilian staff strength, revision in user charges for services provided by the Government and its agencies keeping in view the increased cost of these services etc. Further, with a view to reduce interest burden, most administered interest rates were reduced by 1.5 per cent as of March 1, 2001. Besides, the fiscal Responsibility and Budget Management Bill, 2001 was introduced in Parliament in December 2000. This Bill includes provisions relating to ceiling on debt, deficit and borrowing. The trends in the central government finances are under constant review and appropriate measures undertaken as and when necessary.

Irregularities in payment of pension by public sector banks

1591. SHRI S. RAMACHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether irregularities in payment of pension by public sector banks have resulted in excess payment to the tune of Rs. 27.65 lakh till February, 2000;

(b) if so, the reasons therefor; and

(c) the steps taken to recover the excess payment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (c) Information is being collected and will be laid on the Table of the House.